# STATE AUTOMATION SYSTEMS STUDY **SITE VISIT: JUNE 9 - 11, 1993** LOUISIANA STATE REPORT August 2, 1994 **FINAL** Prepared for: Diana Perez, Project Officer Office of Analysis and Evaluation Food and Nutrition Service 3101 Park Center Drive Alexandria, VA 22302 FNS Contract No. 53-3109-2-007 \_\_\_ THE ORKAND CORPORATION \_\_\_

# TABLE OF CONTENTS

			Page
	SYST	ΓΕΜ PROFILE	1
1.0	STA	TE OPERATING ENVIRONMENT	2
2.0	FOO	D STAMP PROGRAM OPERATIONS	3
	2.1	Food Stamp Program Participation	3
	2.2	FSP Benefits Issued Versus FSP Administrative Costs	4
	2.3	FSP Administrative Costs	4
	2.4	System Impacts on Program Performance	5
		2.4.1 Staffing	5
		2.4.2 Responsiveness to Regulatory Change	6
		2.4.3 Combined Official Payment Error Rate	6
		2.4.4 Claims Collection	7
		2.4.5 Certification/Reviews	7
3.0	OVE	RVIEW OF THE SYSTEM	8
	3.1	System Functionality	8
	3.2	Level of Integration/Complexity	12
	3.3	Workstation/Caseworker Ratio	12
	3.4	Current Automation Issues	12
4.0	SYST	TEM DEVELOPMENT AND IMPLEMENTATION	12
	4.1	Overview of the Previous System	13
	4.2	Justification for the New System	13

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# TABLE OF CONTENTS

		Page
4.3	Development and Implementation Activities	1
4.4	Conversion Approach	5
4.5	Project Management	5
4.6	FSP Participation	5
4.7	MIS Participation	6
4.8	Problems Encountered During Development and Implementation 16	5
TRA	NSFERABILITY 18	3
SYST	<b>ΓΕΜ OPERATIONS</b>	3
6.1	System Profile	3
6.2	Description of Operating Environment	)
	6.2.1 Operating Environment	9
	6.2.2 State Operations and Maintenance	9
	6.2.3 Telecommunications	)
	6.2.4 System Performance	0
	6.2.5 System Response	0
	6.2.6 System Downtime	1
	6.2.7 Current Activities and Future Plans	1
COS	T AND COST ALLOCATION	1
7.1	L'AMI Development Costs and Federal Funding	1
	7.1.1 L'AMI System Components	4
	4.4 4.5 4.6 4.7 4.8 TRA SYS7 6.1 6.2	4.3       Development and Implementation Activities       12         4.4       Conversion Approach       13         4.5       Project Management       13         4.6       FSP Participation       16         4.7       MIS Participation       16         4.8       Problems Encountered During Development and Implementation       16         TRANSFERABILITY       13         SYSTEM OPERATIONS       13         6.1       System Profile       13         6.2       Description of Operating Environment       16         6.2.1       Operating Environment       19         6.2.2       State Operations and Maintenance       16         6.2.3       Telecommunications       20         6.2.4       System Performance       22         6.2.5       System Response       22         6.2.6       System Downtime       2         6.2.7       Current Activities and Future Plans       2         COST AND COST ALLOCATION       2         7.1       L'AMI Development Costs and Federal Funding       2

\_\_\_\_ THE ORKAND CORPORATION \_\_\_\_

# TABLE OF CONTENTS

				Page	
		7.1.2	Major Development Cost Components	24	
			7.1.2.1 Hardware Costs	24	
			7.1.2.2 Contractor Costs	25	
	7.2	Opera	tional Costs	25	
		7.2.1	Cost Per Case	26	
		7.2.2	ADP Operational Cost Control Measures and Practices	26	
	7.3	Louisi	iana Cost Allocation Methodologies	26	
		7.3.1	Historical Overview of L'AMI Development Cost Allocation Methodology	27	
		7.3.2	Operational Cost Allocation Methodologies and Mechanics	28	
			APPENDICES		
A	State	of Loui	siana Exhibits	A-1	
В	Analysis of Managerial User Satisfaction				
C	Analysis of Operator User Satisfaction				

# LIST OF TABLES

Table	No	Page
2.1 2.2 2.3 2.4 2.5 7.1 7.2 7.3 7.4 7.5	Average Monthly Public Assistance Participation  FSP Benefits Issued  FSP Federal Administrative Costs  Official Combined Error Rate  Total Claims Established/Collected  L'AMI Development Costs by Program  2 L'AMI Development Cost Components  Food Stamp System Operating Costs  FSMIS Operational Cost Pools  2 FSMIS Cost Pool Allocation Basis  3	4 5 6 7 3 4 26
<u>Exhib</u>	APPENDIX A - State of Louisiana Exhibits  it No.	
A-2.1 A-6.1	Response to Regulatory Changes	

#### LOUISIANA STATE REPORT

Site Visit June 9 - 11, 1993

#### STATE PROFILE

System Name: Louisiana Automated Management Information

(L'AMI) - under development, Food Stamp Management Information System (FSMIS) -

operational system

Start Date: 1982 (L'AMI)

Completion Date: 1995 (L'AMI)

Contractor: Electronic Data Systems, Inc. (1982 - 1988) and

Arthur Andersen (1993 - 1995) - (L'AMI)

Transfer From: Developed by the State

Cost\*:

**Actual:** \$6,249,547 (through June 1993)

 Projected:
 \$2,658,607

 FSP Share:
 \$ 748,570

 FSP %:
 12.0%

Number of Users: 2,460 (est. - parish office staff)

Basic Architecture\*\*:

Mainframe: IBM 9021 Model 820

Workstations: 3270 type terminals, IBM compatible

microcomputers

Telecommunications

Network: Multiple T1 lines connecting to 56 KB to 9600 baud

System Profile:

**Programs:** Food Stamp Program (FSP) only (FSMIS)

Aid to Families with Dependent Children, FSP

(L'AMI)

\* Cost data in this section pertain to the L'AMI system

\*\* Configuration currently supports FSMIS and also will be used to support L'AMI

#### 1.0 STATE OPERATING ENVIRONMENT

The designated State agency for the administration of the Food Stamp Program is the Department of Social Services (DSS). The Food Stamp Program is State-administered in Louisiana.

Within DSS, the Office of Family Support (OFS) has responsibility for determining applicant eligibility for all of the programs it manages: Aid to Families with Dependent Children (AFDC), Transitional Assistance, Refugee Assistance, and FSP. Project Independence, the Louisiana JOBS Program, the Disabilities Determinations Program, and the Child Support Enforcement (CSE) Program are also located within OFS and report to the OFS Assistant Secretary.

Other organizational units within DSS include the Office of Community Services, which administers child and family social services, and the Office of Management and Finance (OMF), which oversees the finance, human resources, information services, planning, and budget areas. DSS oversees quality control, fraud and recovery, and support services as well. The DSS Division of Information Services (DSSIS), located within OMF, provides computer services to the Office of the Secretary, OFS, and the Office of Community Services.

DSSIS also provides services to several offices within the Department of Health and Hospitals (DHH), which administers the State's Medical Assistance Program. Computer services are provided to the following groups: Charity Hospital of Louisiana at New Orleans, Office of Hospitals, Office of Mental Health and Mental Retardation, Office of Public Health, and Office of Management and Finance.

The State's assistance programs currently are supported by a variety of systems. The FSP is supported by the Food Stamp Management Information System. The AFDC caseload and Medicaid-public assistance (PA) recipients are handled through the Welfare Information System (WIS). Medicaid-only and Child Support Enforcement cases are supported by separate systems.

There are several groups within OFS that provide support for the FSP and other assistance programs. There are two Divisions of Field Operations that oversee regional and parish offices; the directors of both divisions report to the Deputy Assistant Secretary of OFS. The Division of Financial Assistance oversees the FSP and the Assistance Payments Program. The Automated Systems Section, within OFS, is responsible for the Louisiana Automated Management Information system, the system being developed to support the AFDC and Food Stamp Programs.

Louisiana is divided into parishes, and local welfare offices generally serve one parish. There are 69 local welfare offices in Louisiana. Not every parish has a full-time office. Moreover, New Orleans has five offices; each office is equivalent to a parish office. The major geographic constraint is the Mississippi River, which divides three parishes and makes it difficult for recipients to visit local welfare offices.

The State population in 1990 was 4,238,216. Approximately 17.2 percent of the population received food stamp benefits.

Louisiana's unemployment rate has been relatively stable in the past few years. In 1986, the unemployment rate was at an all-time high of 13.1 percent. Unemployment decreased each year between 1986 and 1990, reaching a rate of 6.2 percent in 1990. It then increased to 7.1 percent in 1991.

The October 1992 report, *The Fiscal Survey of States*, provides the following information compiled by the National Association of State Budget Officers:

- Louisiana had negative nominal expenditure growth for Fiscal Year (FY) 1993; the national average for expenditure growth was 2.4 percent.
- Louisiana reduced its 1992 budget by \$116.5 million, exempting only non-discretionary programs.
- State government employment levels in Louisiana increased by 2.07 percent. This change differed dramatically from the national average decrease of 0.60 percent in State government employment.
- Louisiana increased 1993 revenues by \$161.0 million by increasing fees.
- The regional outlook indicated that economic growth is slow in the Southeast region, but Louisiana had per capita personal income growth above the national average. The regional weighted unemployment rate of 7.6 percent was slightly lower than the national average of 7.8 percent.

#### 2.0 FOOD STAMP PROGRAM OPERATIONS

Field operations are under the direction of the Division of Field Operations; its director reports to the Deputy Assistant Secretary of the OFS. FSP and Public Assistance program staff report to the Director of the Division of Financial Assistance, who also reports to the Deputy Assistant Secretary.

Two paths are used for State oversight of local operations. Each local field office director reports to a regional director. There are nine regions in the State, and the regional directors report to the Director of Field Operations. Within each regional office, there are program specialists who report directly to the Director of Financial Assistance. The program specialists are responsible for training local office workers and providing assistance to staff.

#### 2.1 Food Stamp Program Participation

The average monthly participation for the Food Stamp Program and other assistance programs is provided below in Table 2.1. Household participation in the Food Stamp Program increased by 15.2 percent between 1988 and 1992, while the number of individuals receiving FSP benefits increased by only 6.2 percent. Participation levels for the AFDC and Foster Care Programs were relatively constant during the five-year period.

For the AFDC Program, participation increased from 1988 to 1990 and decreased in 1991 and 1992. Child Support Enforcement cases increased by 79.0 percent between 1988 and 1992.

Table 2.1 Average Monthly Public Assistance Participation

PROGRAMS	1992	1991	1990	1989	1988
AFDC Cases Recipients	91,697 271,799	93,073 279,458	94,746 284,462	92,620 277,945	91,934 275,845
Foster Care	5,900	5,877	5,635	5,713	5,705
FSP Households Individuals	276,473 774,817	264,235 749,546	253,840 730,607	247,284 731,321	239,949 729,501
CSE	213,717	179,311	147,722	127,131	119,407

#### 2.2 FSP Benefits Issued Versus FSP Administrative Costs

The ratio of benefits issued to FSP administrative costs has improved from 19.3:1 in 1988 to 21.6:1 in 1992.

Louisiana's average monthly benefit issuance per household over the last five years, as provided in Table 2.2, has increased.<sup>1</sup>

Table 2.2 FSP Benefits Issued

	1992	1991	1990	1989	1988
Average Monthly Benefit Per Household	\$203.04	\$190.77	\$181.48	\$165.08	\$161.88

#### 2.3 FSP Administrative Costs

Louisiana's FSP administrative costs for the past five years are provided in Table 2.3.<sup>2</sup> The data indicate that total administrative costs increased each year from 1989 to 1992. It also shows that the average cost per household decreased in 1989 and then increased each year from 1990 to 1992.

<sup>&</sup>lt;sup>1</sup> The number of households and benefit amounts use data reported in the FNS State Activity Reports each year.

<sup>&</sup>lt;sup>2</sup> The number of households and FSP Federal administrative costs are derived from data reported in the FNS State Activity Reports each year.

Table 2.3 FSP Federal Administrative Costs

	1992	1991	1990	1989	1988
Total FSP Federal Admin. Cost	\$31,348,159	\$28,683,594	\$24,760,188	\$21,553,492	\$23,857,259
Avg. Federal Admin. Cost Per Household Per Month	\$9.40	\$9.14	\$8.18	\$7.34	\$8.36

## 2.4 System Impacts on Program Performance

Areas of Food Stamp Program performance that could potentially be affected by the automated systems that support the Program include:

- Staffing
- Responsiveness to Regulatory Change
- Combined Official Payment Error Rates
- Claims Collection
- Certification/Reviews

FSMIS has been operational for nearly 15 years. The program performance statistics in the following sections reflect the impact of environmental influences in an ongoing automated operational environment, rather than the impact of the implementation of an automated system.

#### 2.4.1 Staffing

Local offices are staffed and the work is organized according to the caseload requirements within the area. In some offices, eligibility workers (EW) perform most of the tasks associated with AFDC and FSP recipients. Most EWs are generic workers who support both the Food Stamp and AFDC Programs. In the larger offices, EWs are assisted by clerical staff in a variety of activities.

Total parish office staff for AFDC and FSP administration is 2,460. Louisiana has 1,277 EWs who are responsible for intake and ongoing case management. They are supervised by 194 EW supervisors, and 67 parish administrators. There also are 577 clerical staff in the field; some of these staff are data entry operators. FSP and AFDC workers are supported by caseworker assistants, who support application processing by performing statewide clearance functions in the system.

# 2.4.2 Responsiveness to Regulatory Change

As shown in Exhibit A-2.1 in Appendix A, Louisiana implemented 13 of the listed regulatory changes on time. Information was not available about the timeliness of implementation for code 3.4, which eliminates migrant initial month proration. Seven of the provisions required computer programming changes, and all but one required changes to State policy or legislation. Louisiana is able to implement program changes and mass changes fairly easily. State staff indicated that the most difficult changes were those related to combined initial allotments.

## 2.4.3 Combined Official Payment Error Rate

Louisiana's official combined error rate, as indicated in Table 2.4, increased in 1989 and declined each year between 1990 and 1992.

 1992
 1991
 1990
 1989
 1988

 Combined Error Rate
 9.15
 10.73
 11.18
 11.82
 9.80

Table 2.4 Official Combined Error Rate

During 1991 and 1992, the majority of the errors (73.3 percent) were related to income and deductions, with over 46 percent of the errors occurring in wages and salaries. The next most problematic area was household composition, which accounted for 15.4 percent of errors. Many of these errors resulted from the use of non-integrated systems in the State; with the existing systems, information in one system is not always updated in the other systems. DSS staff expect that errors associated with updating multiple systems will be eliminated when the L'AMI System is implemented. Errors also occur because workers fail to follow-up or take action on inconsistent or incomplete information, a situation which would be alleviated by the expanded screens, reason codes, and verification codes in the L'AMI System.

Error rates began to increase when the State went through a series of budget reductions that resulted in major layoffs, but Louisiana has taken action to reduce error rates since 1990. FSMIS enhancements were made that help workers calculate budgets and benefits. This contributed to the reductions in the number of wage and computation errors in 1991 and 1992. The State also implemented a series of corrective action changes. First, the director of the Department made error reduction a number one priority. Second, training was greatly expanded. Orientation training packages were developed for new EWs, and a new staff development and training package was developed for ongoing workers with two or more years experience. The State began conducting monthly refresher courses at the central office for rotating field staff. Third, a State Corrective Action Committee -- consisting of division directors, regional managers, the quality control director, and representative EWs and EW supervisors from selected parish offices -- was formed. This

group has decision-making authority for improving the error rate. The State also has given regional managers the mandate to establish their own corrective action committees. In addition, most parish offices have been directed to establish corrective action plans.

#### 2.4.4 Claims Collection

Table 2.5 presents claims collection data indicating the total value of claims established, the total value of claims collected, and the percentage of claims established that were collected. Although the value of claims established increased by nearly \$1 million between 1988 and 1992, the value of claims collected has remained relatively steady, dropping in 1989 and then gradually increasing each year. Overall, the value of collections in 1992 exceeded the value of collections in 1988. The percentage of claims established that were collected decreased during the period.

State staff indicated that claims collections increased in 1988 due to the establishment of an interface between claims collections and the FSP in 1986 and decreased in subsequent years due to staff reductions. Total collections and fraud unit staff were reduced from 86 individuals to the current level of 49 staff.

In 1993, DSS established the Federal Refund Tax Offset Program, which resulted in collections of \$1.1 million from tax offsets. For 1994, DSS expects the Federal tax refund offset to contribute about \$0.5 million to collections. DSS uses tax offsets only on those claims which have been reduced to judgment.

1992 1991 1990 1989 1988 **Total Claims** Established \$2,836,024 \$2,836,519 \$1,885,651 \$1,845,445 \$2,349,123 **Total Claims** \$1,498,549 Collected \$1,413,125 \$1,339,192 \$1,243,316 \$1,450,595 As a % of ··· 78.6% **Total Claims** 52.8% 49.8% 57.0% 65.9% Established

Table 2.5 Total Claims Established/Collected

#### 2.4.5 Certification/Reviews

FSMIS, which supports only the Food Stamp Program, became fully operational in 1979. The Food and Nutrition Service (FNS) did not conduct a post-implementation review. Since FSMIS is not an integrated system, it was not reviewed by the Department of Health and Human Services (DHHS) and did not receive Family Assistance Management Information System (FAMIS) certification.

#### 3.0 OVERVIEW OF THE SYSTEM

This section provides an overview of the functionality, complexity, and level of integration of Louisiana's current systems and discusses some of the current automation issues in the State. Louisiana's FSMIS system receives input from and provides data to other systems. The description of system functionality, therefore, includes both FSMIS and functions contained in other systems and subsystems that support FSMIS. These systems include:

- State Client Data Management (SCDM). This system provides centralized clearance to determine whether a client is known to the agency through other programs (e.g., Medicaid, AFDC, and Child Welfare). The system, which was developed in 1986, browses various client databases each night to update the SCDM.
- **WIS.** WIS supports AFDC and Medicaid. Through the SCDM menu, the worker can inquire on a client record in WIS to obtain information on benefit payments and/or household members that is used to work up the FSP case.
- State Income and Eligibility Verification System (SIEVS). Through the SIEVS menu, the worker can make a SIEVS inquiry to determine whether a client has received wages or income from other sources. It also provides Social Security number (SSN) verification.
- **Recovery.** This system is used to track benefit recoupment and claims collections for both FSP and AFDC clients.

#### 3.1 System Functionality

Major features of FSMIS and other Louisiana systems are described in this section. Areas addressed include:

• Registration. The initial step in providing assistance involves worker screening to identify the programs for which the client is applying. The client completes an eight-page application that is used to apply for both food stamp benefits and financial assistance. At the time of registration, a search is performed through SCDM to determine if the client currently is participating or previously has participated in the Food Stamp Program or other assistance programs. Client interviews, which are scheduled manually, may be conducted the same day or at a later date.

For clients applying for both FSP benefits and financial assistance, the copies of the application are given to two caseworker assistants. One caseworker assistant creates a record on the computer master file to open the case in WIS and the other opens the case in FSMIS. The caseworker assistant enters the following information into FSMIS: name, SSN, address, parish, household type (PA or non-PA), authorized representative, application date, worker number, and previous case number. If a closed case exists in the system for an applicant, the old record can be reopened using different codes from those used for new applicants. Once case

information has been entered into the system, it then is printed on a one-page form, called the Food Stamp Program Household Record (Form OFS FSP 5). This turnaround document and the application are placed into the case file. A second turnaround document is created in WIS and the printout is placed into the AFDC case file for the household.

• Eligibility Determination. A single interview is conducted by a caseworker for an applicant who is applying for AFDC and FSP benefits. The system is not used during the applicant interview. The information gathered during the interview is used to prepare the Household Record Form. Data from this form is entered into FSMIS after the interview has been completed. A second form is prepared for WIS, and a similar process is followed for AFDC applications.

Based on information on the application form, which is obtained during the interview and through computer matching and manual budget preparation, the eligibility worker determines whether the household is eligible for benefits. The EW then completes the remainder of the Household Record Form in red ink.

Updates to the system are made in a fashion similar to entering the initial application. Changes in the record are made in red ink on the Household Record Form. The caseworker then enters changed information into FSMIS and WIS, as appropriate. The form is filed in the case record along with a new printout of the updated Household Record Form.

- **Benefit Calculation.** After the worker has entered the information that is in red ink into FSMIS, the system calculates the total shelter, earned income, other income, total group income, earned income deduction, net adjusted income, standard deduction, adjusted income, excess shelter, Thrifty Food Plan allotment, rate reduction, and coupon amount. The worker then compares the system's calculations to his or her manual calculations on the application worksheet form to verify that FSMIS has calculated benefits correctly. The need for supervisory review of initial applications is determined at each office.
- Benefit Issuance. Louisiana uses authorization-to-participate (ATP) cards that are system generated. ATP cards generally are mailed to the recipient, who goes to a local issuance office to obtain food coupons. ATPs may be issued manually under special circumstances. All manual ATPs must be signed by the EW supervisor. Throughout the State, there are over 300 issuance staff located in offices that are physically separated from offices where recipients are certified. Clients who apply after the 15th of the month get one ATP for the remainder of the first month and a second ATP for the next month. ATP cards are Magnetic Ink Character Recognition (MICR) encoded with a control number and imprinted with the number of coupon books, by denomination, that are to be issued. When the ATPs are exchanged for food coupons, the ATP cards are read by the MICR reading machine, and a microfilm copy of the front and back of the ATP is made. The use of MICR encoding and reading aids in the reconciliation process.

The State Legislature passed legislation approving Electronic Benefit Transfer (EBT) for benefit issuance. DSS wants to pilot test EBT, for AFDC and FSP benefit delivery, in a small parish in July 1994. EBT plans involve using an online EBT system that uses point-of-sale (POS) terminals as well as automated teller machines (ATM) to deliver benefits.

- Notices. WIS produces client notices for the Food Stamp Program and other assistance programs. Caseworkers must initiate most notices to households (except for mass notices), and WIS requires worker input to the notices. The worker enters the SSN, and the system obtains the name and address of the individual. The worker selects the notice form that is to be sent and enters relevant information onto the form. Workers also can add free text to the notice. Notices are requested through the notices subsystem of WIS. The State office mails notices the day following the request.
- Claims System. The Recovery System is a separate system that supports the AFDC and Food Stamp Programs. The system maintains records of claims outstanding and claims collected. The system also provides information to workers both on-line and in paper reports. The system generates follow-up letters if expected payments are not made and records the payments received.

Each month, the Recovery System interfaces with FSMIS prior to benefit issuance. A recoupment tape is produced from the Recovery System and provided to FSMIS to support recoupments. The system automatically calculates the recoupment amount and subtracts this from the recipient's monthly benefit allotment.

Local workers and State Recovery and Fraud Unit staff are involved in claims processing. The worker in the field prepares a paper claim determination report after performing an investigation into the overpayment and manually calculating the amount of the overpayment. This report is sent to the Recovery and Fraud Unit where staff input data into the Recovery System. Recovery and Fraud Unit investigative staff may become involved in cases for which DSS intends to prosecute. Claims are established at the point the collection is initiated. An initial demand letter is sent to the client with an agreement form.

• Computer Matching. EWs use SIEVS and SCDM to perform computer matching. Workers access SIEVS when processing a new case and for ongoing case management. For new applicants, workers perform inquiries to the system. For ongoing cases, the worker receives a report indicating matches. Staff indicated that SIEVS provides useful information, but the information is not timely. Even though Internal Revenue Service (IRS) income and asset information is old (Louisiana currently is using 1991 IRS data), it is a useful match. Ongoing income, such as pensions and interest payments, show up on this match that may not have been identified by the client. SIEVS provides help screens for explaining the IRS codes.

Louisiana sends household member SSNs and pertinent information for matching to the Social Security Administration (SSA), IRS, and the Louisiana Department of Labor (DOL) monthly. The information received from SSA, IRS, and DOL on wages, unemployment insurance self-employment income. SSA benefits, and earned and unearned income reported to IRS is matched against active cases in the system.

Discrepancies are noted when the information reported by households does not match the information reported by the matching sources. When EWs access the SIEVS screen on-line, any discrepancies the system has identified will be shown. After reviewing the monthly SIEVS report, workers are required to send notices to clients regarding any discrepancies identified, take necessary follow-up action, recalculate the budgets and benefits in WIS and/or FSMIS, and enter a code into SIEVS within 45 days. Caseworkers handle approximately 10 to 30 SIEVS matches per month.

Although enhancements have been made to SIEVS to aid EWs, DSS expects that the L'AMI System will reduce the redundancies required by the existing systems.

- Alerts. FSMIS provides on-line alerts to the caseworker which present information including scheduled redeterminations, pending applications, and SIEVS discrepancies. This information previously was provided in paper form. Recently, an on-line capability was added using the INFOPAC software package. Alert information is deleted only after appropriate action has been taken.
- Monthly Reporting. Louisiana does not have monthly reporting.
- Report Generation. Reporting capabilities include regular, ad hoc, and on-line reports. The system provides most reports to supervisors on-line through INFOPAC or in a paper format. FSMIS provides the following reports automatically:
  - FNS-388, State Coupon Issuance and Participation Estimates
  - Monthly Reconciliation Report
  - Report on Untransacted Outstanding ATPs
  - Duplicate Participation Report

The State supports centralized report generation through mail and messenger service delivery to local offices.

• **Program Management and Administration.** There is a mainframe-based electronic mail (E-mail) system in Louisiana, and there are office automation capabilities, including the availability of spreadsheet and word processing software, in the parish offices.

# 3.2 Level of Integration/Complexity

There is a low level of integration in Louisiana, both organizationally and from an automation perspective. Louisiana's assistance programs currently are supported by several systems that are not fully integrated. FSMIS supports only the Food Stamp Program. WIS serves AFDC and Medicaid, but does not handle Medicaid-only eligibility. Both systems are supported by SIEVS, SCDM, and the Recovery System.

Because the systems are separate and rely on turnaround documents, there is a low level of functional complexity in the systems. The technical complexity and the degree of difficulty associated with maintaining the systems has increased over time as the technologies have became obsolete and more fragmented.

#### 3.3 Workstation/Caseworker Ratio

The number of workers per terminal varies according to the way work is organized within each office. In general, workers have to share terminals, although, in some offices, workers have dedicated terminals. Currently, there are approximately two workers for every terminal. The total number of terminals supporting all DSS users is approximately 2,517. In addition, there are 1,001 personal computers (PCs) available to DSS users.

Louisiana plans to provide a terminal for each clerical worker and eligibility worker in the future.

#### 3.4 Current Automation Issues

State FSP staff indicated that FSMIS is serving their needs at this time. Very little attention is focused on improving FSMIS due to the L'AMI development effort, and FSP staff are resigned to continuing to use FSMIS until L'AMI development is completed and the new system is implemented.

Food Stamp Program staff were not active participants in the L'AMI development effort in June 1993. Once L'AMI development is reactivated, FSP staff assignments for L'AMI will be made.

#### 4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION

This section discusses the approaches used in Louisiana to develop and implement the L'AMI System. At the time of the State visit, Louisiana was awaiting approval of the Advanced Planning Document (APD) submitted to the FNS Southwest Regional Office (SWRO) to resume the L'AMI development effort, which was started in 1982 and suspended in 1988.

## 4.1 Overview of the Previous System

Until the L'AMI System is operational, DSS is continuing to use FSMIS and the ancillary systems to support the Food Stamp Program. The functional canabilities of this system are detailed in section 3.1. The existing system is batch oriented with limited on-line editing capabilities and does not support interactive interviewing. The FSMIS computer files are physical sequential files, VSAM files, or ADABAS files. The programming languages used in this system are COBOL, CICS, NATURAL, and SAS. Although there is a master database that is used by all programs, there is no automatic on-line link between FSMIS and other systems.

There are several shortcomings with the existing system, including:

- Intensive paperwork requirements and reliance on paper turnaround documents
- Redundancies among systems that lead to duplicate data entry for changes and updates in cases
- Limited terminal access
- Multiple input documents for multiple programs from one application form
- Reliance on older information system technologies

## 4.2 Justification for the New System

The primary reasons for developing the L'AMI System were identified in 1982 when the development effort was initiated, and the same concepts are applicable for justifying the system development effort today. The anticipated benefits of L'AMI include:

- Reduced errors through on-line edits, automated eligibility determination, and budget and benefit calculations
- Elimination of manual paperwork by eligibility workers and data entry by clerical staff
- Reduction in personnel costs, through improved work flows and reduced paperwork
- More efficient case management through edits, alerts, and the elimination of paperwork
- Reduced administrative costs, through reductions in printing, forms distribution, and mailing costs
- More efficient and timely recoupment of overpayments

Improved client service, through improved notices and more timely determination of case outcomes

## 4.3 Development and Implementation Activities

L'AMI development was initiated in the early 1980s. The first APD for the L'AMI System was approved in October 1982, and a contract was awarded to Electronic Data Systems (EDS) for software development in June 1983.

EDS' support of the development effort continued until 1988. During this period, both the development contract and APD were amended as additional complexities were identified. APDs submitted during this period focused on requirements for additional hardware, mainframe upgrades, extended timeframes for completion, and inclusion of Deficit Reduction Act (DEFRA) requirements. The L'AMI pilot test was initiated in two parishes in August 1987.

In April 1988, the EDS contract expired, and the pilot test had been deemed unsuccessful. The pilot test was decommissioned in December 1988. There were several areas in which additional development was required, including the Medicaid Management Information System (MMIS) interface, the State Data Exchange (SDX) interface, on-line CPU utilization, and batch processing wall clock times.

An APD was developed to complete the system and approved by DHHS in December 1988 and FNS in April 1989. The associated procurement effort was unsuccessful because a single proposal, submitted in June 1989, was deemed non-responsive.

In 1990, the State decided to modify its development approach by using a contractor as a consultant/manager. After provisional Federal approval of an APD based on the consultant/manager approach, the State released a Request for Proposal (RFP) in October 1990. In November 1990, DSS awarded a contract to Maximus to serve as the contractor monitor and assist with the preparation of a new APD and RFP for the procurement of another development contractor. As the contractor monitor, Maximus staff would remain on-site to oversee development contractor performance and ensure project success. Maximus began working on the project in February 1991.

Approval to begin the second phase of the L'AMI development effort was granted during the fall of 1991. The State submitted an Implementation RFP and an APD Update (APDU) to the Federal agencies. In April 1992, DHHS and FNS approved the RFP. The development contract was awarded to Arthur Andersen.

Although 90 percent of the L'AMI system code has been completed and the system met FSP requirements effective at the time the pilot test was conducted, the efficiency of the L'AMI design was unacceptable. As of 1993, the L'AMI project required software upgrades, improvements in system efficiencies, deletion of Medicaid eligibility functionality, and system changes to bring L'AMI into compliance with current FNS and

DHHS regulations. An APDU submitted in January 1993, addressing these and other issues, was pending as of June 1993.

Throughout the development period OFS has experienced problems in obtaining FNS approvals on its APD, RFP, and contract documents. State staff did not describe specific problems, however, they indicated that there were communication difficulties between the State and the FNS SWRO. A high degree of frustration with the process was common until the State hired a contractor monitor. Project staff have since come to rely significantly on the contractor monitor to prepare documents and responses for FNS review and approval.

The projected completion date for the L'AMI System is 1995. The State has received conditional approval from FNS for proceeding with L'AMI implementation, subject to FNS review of project deliverables. The cost allocation plan is still under consideration. The pilot test is scheduled for August 1994, but it will not be initiated until users have completed all User Acceptance Testing and are satisfied with the system. Statewide implementation is scheduled to begin during October 1994, and full statewide operations are expected in 1995.

## 4.4. Conversion Approach

The planned conversion approach, as presented in the January 1993 APDU, is the same approach that was used in 1987 and 1988 when the State first attempted to implement the L'AMI System. With this approach, automated programs, which require some updating, will be modified and used to convert approximately 90 percent of the data from existing WIS and FSMIS files. The programs will create reports identifying data that are missing or fall within prescribed error conditions. The conversion programs also will identify potential duplicate cases or data fields. The approach for capturing missing information and for validating the correctness of the converted data will be developed by the implementation contractor.

Detailed plans for conversion staffing and conversion training also will be developed. Additional transitional staff will be brought in to assist in the conversion effort.

#### 4.5 Project Management

The L'AMI project is managed within the Automated Systems Section of OFS. A L'AMI Advisory Commission has been established and reports to the Director of Automated Systems. The commission is comprised of senior-level management representing the major organizational areas that will be served by the L'AMI System.

The current project director for L'AMI has a program background and experience in field operations. The project director, who reports to the Director of Automated Systems, is responsible for overseeing the implementation contractor and the contractor monitor.

Five teams have been established to support L'AMI project management during the course of the project. OFS staff will participate on each of the following teams: requirements verification, testing, technical support, implementation, and operations.

## 4.6 FSP Participation

During the initial installation of the L'AMI System, each of the major program areas had at least one full-time representative on the L'AMI project. The initial project director was from the Food Stamp Program area. Program staff were closely involved in determining system requirements and reviewing and commenting on all EDS deliverables.

As of June 1993, FSP staff have not been involved in the second attempt to implement the L'AMI System, and their role in the development effort has not been defined.

#### 4.7 MIS Participation

The current plans for L'AMI development involve the participation of DSSIS and OFS Automated Systems Section staff in several areas; however, to a large extent, the State relies upon the implementation contractor and the contractor monitor to determine direction of the effort and select appropriate system alternatives. Current development plans involve the inclusion of the Director of Information Systems as a member of the L'AMI Advisory Commission as well as staff involvement on two of the five teams that support the development effort.

Louisiana information systems staff's primary involvement in the L'AMI project will be through representation on the technical support team. Seven State staff including five programmer analysts, one information systems application project leader, and one information systems application manager will participate on this team. The technical support team will work with the implementation contractor on completing portions of the modifications, conversion, and other tasks as required. The team will be responsible for reviewing technical deliverables provided by the contractor.

Technical staff from the DSS data center will participate in the development effort as members of the operations team. Participants will include four network technicians, three software support specialists, and one production control supervisor.

# 4.8 Problems Encountered During Development and Implementation

The failure of the first installation of the L'AMI System can be attributed to a variety of factors, such as: the use of ADABAS/NATURAL and COBOL for development, fear of a potential system failure by State political appointees, overly detailed specifications, lack of guidance to the project team, staffing problems, and environmental influences. These problems are discussed further in the following paragraphs.

EDS developed the on-line portions of the system using ADABAS/NATURAL and batch programs in COBOL. Both the design and code efficiency have been questioned.

NATURAL is not considered to be an efficient language for high volume on-line systems such as the L'AMI System. The design that resulted incorporated turnaround documents, which do not provide the desired efficiency.

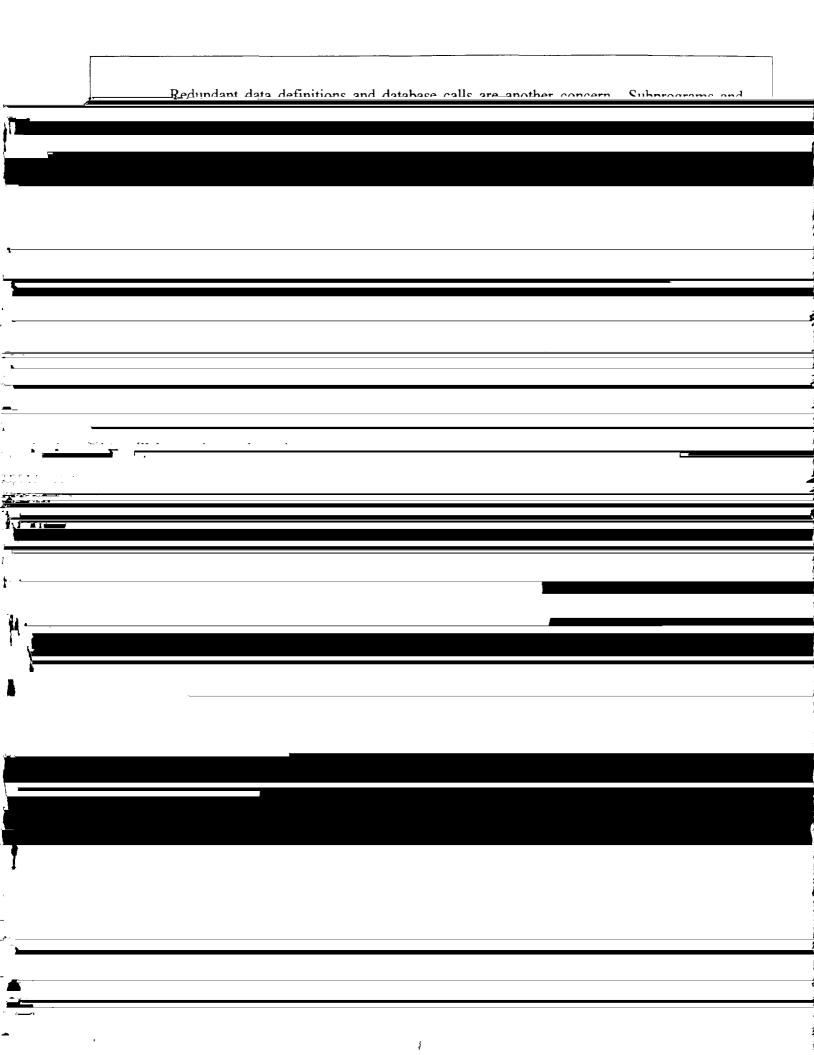
State staff indicated that the potential for repercussions following a failed implementation effort influenced the decision to suspend L'AMI implementation in 1988. Some staff believed that system tuning could have been performed to enable the L'AMI System to be implemented statewide, but that implementation was terminated rather than risk potential system performance failure.

Project staff lacked critical communication and political skills to manage the project, and State technical staff was not sufficient. The project management problems resulted in a run-away design, changes in system specifications, and several rewrites of the RFP. The design document for L'AMI consisted of nine physical and 16 logical volumes. State staff indicated that this was too much to absorb, evaluate, code, and test. The Oversight Committee in place during the initial development effort provided little guidance to the project team. The project team also was inadequately staffed, and there were budget constraints and a hiring freeze that resulted in a reduction in the number (from three to one) of MIS staff participating in L'AMI development.

Changing Federal requirements and the contractors' decision to develop the system off-site also created problems for the L'AMI system development effort. Major Federal legislative additions during the development timeframe, such as welfare reform, the Hunger Prevention Act, and Job Opportunities and Basic Skills (JOBS), had a negative impact on the development effort. Another problem was related to the development work being done at different sites around the country on the contractor's mainframes. This created quality and communications problems.

Given the problems that Louisiana has had in the past, there are several concerns about the second installation of the L'AMI System. The current implementation contractor, Arthur Andersen, and State and Federal representatives are anxious about working with code developed by EDS. There are questions about whether the existing code can be modified to produce effective and efficient program code in a timely manner. This concern has led to delays in Federal approvals; rewrites of APDs, RFPs, and contracts; and subsequent increases in the estimated cost and time to complete the project.

Another concern stemming from the State's past problems involves program requirements. During the initial implementation, requirements were changed too often resulting in increased development time and costs. As a result, the State has decided to freeze requirements after the detail design is completed for the current effort. There was a point in the original development process when requirements were frozen; therefore, some program requirements were not incorporated into the system. Extensive requirements validation workshops will be needed during the second installation of the L'AMI System; this could have a negative impact on development timeframes.



Telecommunications:

Multiple T1 lines to 56 KB to 9600 baud, upgrade

from 9600 baud to 19.2 KB for L'AMI

A detailed hardware list is included as Exhibit A-6.1 in Annendix A.

# 6.2 Description of Operating Environment

The operating environment of FSMIS and L'AMI consists of several components. This section describes these components, which include the current operating environment, telecommunications, performance, response time, and downtime. This section also discusses the future plans for the Louisiana systems.

## 6.2.1 Operating Environment

The DSS Division of Information Services operates a departmental data center that also supports DHH and the Louisiana Health Care Association systems. The data center operates seven days a week, 24 hours each day. The on-line processing window is between 7:30 a.m. and 6:00 p.m., and batch processing occurs between 6:00 p.m. and 7:00 a.m. From a technical perspective, batch processing can be run 24 hours a day because current systems perform few functions on-line.

The IBM 9021 operates under MVS/ESA. JES2 is used for batch. FSMIS was developed in the current version of COBOL in the early 1970s and contains a VSAM file structure. Newer systems are written in NATURAL with ADABAS or DB2 databases. CASE tools are used extensively in more recent development efforts.

The State has a disaster recovery plan that is tested at least annually. The State provides for disaster recovery through a mobile "cold" site contract with COMDISCO, an organization located in Texas.

#### 6.2.2 State Operations and Maintenance

Application and operational support for existing systems are provided by DSS staff. There are four full time equivalents (FTEs) from DSS supporting the current applications. Staff include one manager, one analyst, and two programmers. The following types of data center staff provide shared support for DSS and other agencies' systems: database administration, network support, computer operations, and system programming staff. Contractors are not used to support existing systems.

Louisiana staff indicated that the State has significant problems related to both the quantity and expertise of current technical staff. The number of systems positions in the State has decreased by 50 percent from 1986, when there were 253 positions in information services. Budget reductions in the State have also had a negative impact on training and travel budgets. State staff believe that current staff lack the desired expertise. With salary levels, benefits, and opportunities that are not competitive in the market, it has become increasingly difficult for the State to hire and retain experienced staff.

Consequently, the State relies on contractors for major development projects and plans to have the contractor train State staff to operate the L'AMI System during a four-month period at the end of the implementation phase.

Hardware and software maintenance and file backup activities are performed by data center staff. Backup is performed daily for incremental files and weekly for all database files. Database maintenance is performed daily, while hardware maintenance is performed each weekend.

#### 6.2.3 Telecommunications

There are over 160 prime circuits through three T1 lines that form a backbone for Louisiana's telecommunications network. Telecommunications are supported statewide by 56 KB lines to 9600 baud lines. There are three primary telecommunication companies involved in supporting telecommunications in the State. Local independent telephone companies subcontract to these larger organizations to provide telecommunications services throughout the State.

There are plans to upgrade the telecommunications network in conjunction with L'AMI implementation. All 9600 baud lines to the parish offices are being upgraded to 19.2 KB to accommodate L'AMI requirements.

# 6.2.4 System Performance

The mainframe's total capacity is 166 million of instructions per second (MIPS). Neither the percentage of MIPS capacity used by existing public assistance systems nor current utilization percentages for the machine were available. State staff indicated, however, that capacity was not a problem.

In the past, Louisiana has expanded both direct access storage device (DASD) and central processing unit (CPU) size as necessary to accommodate new systems. L'AMI is projected to utilize only 30 MIPS; however, in States with similar systems, CPU and DASD requirements exceed Louisiana's estimates. The State plans to implement DASD and the CPU upgrades that are required to support L'AMI, but the specific upgrades will not be determined until after the pilot test.

# 6.2.5 System Response

State staff indicated that FSMIS provides adequate system response time. The system meets or exceeds its planned response times of two to five seconds for all transactions. Response time, however, is not an important issue with the current systems, since they contain limited on-line functionality.

For L'AMI, there is a contractual obligation that 90 percent of system transactions provide response times under three seconds, and no transactions exceed five seconds. Upgrades

of the telecommunications network, CPU, and system peripherals will be implemented as necessary to meet this standard.

# 626 System Downtime

The current system is available over 99.8 percent of the time. State staff indicated that downtime is not a current concern.

There have been some past problems with downtime. During the L'AMI pilot in 1987 and 1988, there were several downtime occurrences. State staff indicated that hurricanes and tropical storms have caused numerous local downtime problems, especially in coastal areas.

# 6.2.7 Current Activities and Future Plans

Louisiana's automation direction for the future is focused on mainframe system development using newer technologies. The State is using or will use CASE tools, fourth-generation languages, ADABAS or other relational databases, and standard query language (SQL) or similar ad hoc reporting capabilities in L'AMI development.

DASD and CPU capacity upgrades will be necessary to support L'AMI, but the specific requirements will not be known until after the pilot test.

#### 7.0 COST AND COST ALLOCATION

This section of the report addresses the following topics: L'AMI development costs and level of Federal funding, operating costs for Louisiana's Food Stamp Management Information System, and cost allocation methodologies applied to development and operating costs.

#### 7.1 L'AMI Development Costs and Federal Funding

L'AMI was conceptualized by the Department of Social Services Office of Family Support in the early 1980s. L'AMI was designed to integrate WIS and FSMIS. The first L'AMI APD was submitted in June 1982, and total L'AMI development costs were projected to be \$2,658,607.<sup>3</sup> The Food Stamp Program allocation of the total system costs was 22.3 percent, or \$592,869. Allocations to other programs were: \$1,544,651, or 58.1 percent, for AFDC and \$521,087, or 19.6 percent, for Medicaid. These allocations were developed using weighted averages of program functions and system functions. FNS Federal financial participation (FFP) with 75 percent enhanced funding was anticipated.

<sup>3</sup> L'Ami June 1982 APD.

Several additional APDs were submitted as projected system requirements and costs changed. L'AMI APDs did not include hardware costs since separate APDs were submitted for hardware acquisitions. Hardware APDs are detailed in section 7.1.2.1. An amended L'AMI APD was submitted in Sentember 1984, at the time that the detailed design phase of the project was nearing completion. L'AMI development costs to complete the project were estimated at \$2,548,739, and the Food Stamp Program share was determined to be \$568,368 (22.3 percent).<sup>4</sup> This total excluded \$1,044,099 expended prior to September 1984.5 Cost increases were attributed to an increased level of complexity. Also, the timeframe set for the original L'AMI development was increased from 15 months to 27 months. Costs for contractual services for L'AMI increased from \$1,365,000 to \$1,968,401.6 FNS enhanced funding at the 75 percent FFP rate was projected, and major program funding allocations remained the same as the 1982 APD percentages. In October 1986, Louisiana submitted an ADP for L'AMI compliance with DEFRA requirements. L'AMI changes to comply with DEFRA were projected to cost The FSP share was projected to be \$162,799, or 24.4 percent, of the total amount.8

Following the termination of the EDS development contract, a L'AMI Completion APD was submitted in August 1988. This APD projected total L'AMI costs to be \$6,241,640.9 This total included costs for development and full implementation of L'AMI. FNS and DHHS approved the addition of \$890,436 to total L'AMI costs in April 1989 and December 1988, respectively.<sup>10</sup>

Actual L'AMI project expenditures (excluding hardware) totaled \$5,676,115 through September 1989. Program and Federal shares are shown below in Table 7.1.

<sup>&</sup>lt;sup>4</sup> September 1984 L'AMI APD.

<sup>&</sup>lt;sup>5</sup> October 1986 L'AMI DEFRA APD.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>\*</sup> FNS South West Regional Office (SWRO) APD Summary Report, November 4, 1992.

<sup>9</sup> August 1988 L'AMI Completion APD.

<sup>10</sup> L'AMI Chronology, April 27, 1992.

Table 7.1 L'AMI Development Costs by Program
(Prior to October 1989)<sup>11</sup>

Program	Total	Federal Share	Percent of Total
AFDC	\$2,676,810	\$2,412,459	42.5%
Food Stamp	\$1,489,821	\$710,186	12.5%
Refugee Assistance	\$59,780	\$59,780	1.1%
Medical	\$1,246,120	\$1,019,824	18.0%
AFDC/FSP	\$19,818	\$0	0%
General Assistance (GA)	\$183,766	\$0	0%
TOTAL	\$5,676,115	\$4,202,249	74.0%

In June 1990, a Consultant/Manager APD was submitted. This APD requested approval for the selected approach and the issuance of an RFP for a monitoring contractor for L'AMI. Maximus Corporation was awarded a contract in November 1990 to evaluate the feasibility of continuing the L'AMI effort, develop an APD and RFP for completing the project, and assist in the implementation of L'AMI. The contract awarded was a fixed-price contract with a cap of \$1,484,307. FNS approved the contract amount at the 50 percent FFP rate and will share 14.05 percent of total costs.

The November 1991 L'AMI APD projected the total L'AMI completion and implementation costs to be \$13,569,527. The State and Federal shares were projected to be \$3,324,398 and \$10,245,128, respectively. 14

An APDU was submitted in January 1993. The projected total cost to complete and implement L'AMI was \$16,221,398.<sup>15</sup> The Federal and State shares were estimated at \$10,767,148 and \$5,454,250, respectively. The total FSP share was estimated to be \$5,982,055, or 36.9 percent of total costs. Of this, \$3,126,810 was designated for enhanced funding at the 63 percent FFP rate. The remaining \$2,855,244 was subject to with 50 percent funding. The 1993 APDU was pending as of June 1993. It had been approved by DHHS, but FNS had not taken any action.

<sup>&</sup>lt;sup>11</sup> DSS Memorandum to Deputy Secretary dated October 5, 1989.

<sup>&</sup>lt;sup>12</sup> Memorandum detailing Maximus contract, August 1992.

<sup>&</sup>lt;sup>13</sup> L'AMI APD November 1991.

<sup>14</sup> Ibid.

<sup>15</sup> January 1993 L'AMI DEFRA APD.

Total actual L'AMI development costs, excluding hardware, through June 1993 were \$6,249,547. The FSP share of total costs was \$748,570, or 12.0 percent.

# 7.1.1 L'AMI System Components

L'AMI, as it was initially designed, was expected to support the Food Stamp, AFDC, and Medicaid Programs as well as State programs. The 1993 APDU, however, included modifications to eliminate Medicaid eligibility functionality from the system.

# 7.1.2 Major Development Cost Components

L'AMI expenditures, by cost component, for the period prior to October 1989, are shown below in Table 7.2.

Table 7.2 L'AMI Development Cost Components
(Prior to October 1989)<sup>16</sup>

Project Cost Component	Expenditure	Percentage of Total
EDS Contract	\$2,170,645	38.2%
Data Processing	\$1,367,255	24.1%
Other Operating Costs	\$1,361,082	24.0%
State Salaries	\$665,501	11.6%
Training	\$111,632	2.0%
TOTAL	\$5,676,115	

Information concerning hardware requested to support L'AMI and available contractor information is included in the following sections.

#### 7.1.2.1 Hardware Costs

In Louisiana, separate APDs are required for hardware acquisitions. In August 1984, an APD in the amount of \$678,066 was approved to expand current terminals, printers, and peripherals. An APD for a hardware upgrade in the amount of \$3,736,000 was approved in December 1984. Two APDs were approved in 1986. Purchase of a high speed printer, for \$282,924, was approved in February; a CPU upgrade, for \$5,705,160, was approved in November. In May 1987, an APD was approved to upgrade the CPU and acquire additional terminals and related peripherals. The total approval amount was \$11,039,057. Another APD for a CPU upgrade was approved in March 1990; total funding approved

<sup>&</sup>lt;sup>16</sup> DSS Memorandum to Deputy Secretary dated October 5, 1989.

was \$7,563,348. There were several APDs related to adding DASD; rebids were submitted in December 1988, June 1991, and May 1992. The May 1992 APD, for \$1,843,272, also included funding to acquire an automatic tape library.

#### 7.1.2.2 Contractor Costs

The development contract with EDS was initiated in June 1983. The contract amount was increased from \$1,365,000 to \$1,968,401 during the development period. When the contract was terminated in April 1988, the contractor had completed the design and development phases of L'AMI, and total contractor cost was \$2,170,645.<sup>17</sup>

Louisiana awarded a fixed-price contract for \$1,484,307 to Maximus in November 1990. Through June 1993, Maximus has expended \$573,342 of the contract amount for the feasibility study, two APDs, and an RFP. Through the RFP process, Arthur Andersen was selected as the implementation contractor for the second L'AMI installation.

# 7.2 Operational Costs

Food stamp system operational costs are developed through monthly billings submitted from the State's Financial Accounting Control System (FACS). The amount included on the SF-269 in the ADP operations column consists of a quarterly summary of the monthly FACS billing amount summarized by indirect and direct cost pools. The Office of Management and Finance provides administrative support to DSS. FSMIS operating costs consist of the following items:

- Indirect administrative salaries and benefits of DSS employees who support the operations of FSMIS
- Information Services charges which include software support, storage, system programming, printing, production control, maintenance and operation of the random moment sampling (RMS) system, and other ADP services in support of the FSMIS system

Food stamp system operational costs for the last six years are shown in Table 7.3.

<sup>17</sup> Ibid

Table 7.3 Food Stamp System Operating Costs<sup>18</sup>

Fiscal Year	Food Stamp System Operational Cost	FNS Share (at 50% FFP)
1987	\$404,567	\$202,284
1988	\$1,085,162	\$542,581
1989	\$545,851	\$272,926
1990	\$492,713	\$246,356
1991	\$432,453	\$216,227
1992	\$613,052	\$306,526

When L'AMI development began, the State projected operational costs following system implementation. At that time, annual operational costs were expected to be \$2,278,954.

#### 7.2.1 Cost Per Case

The monthly cost per case for FSMIS for FY 1992 was \$0.18. This cost was calculated using the 1992 food stamp monthly caseload of 276,473 households and the 1992 average monthly FSMIS operational costs of \$51,088.

# 7.2.2 ADP Operational Cost Control Measures and Practices

Information Services uses several methods for tracking operational costs. Job numbers are used to track the specific programs which are being supported. The statistical collection file (SCF) monitors CPU core hours, input/output (I/O) channel hours, and print lines. The Financial Accountability Control System is an automated system which provides for the accumulation of costs, provides management control over revenues and expenditures, and validates the cost allocation plan. Information Services programmer and analyst time is entered on time sheets by project number.

# 7.3 Louisiana Cost Allocation Methodologies

This section addresses the cost allocation methodologies used to allocate costs associated with L'AMI development and the operational system that supports the Food Stamp Program.

<sup>&</sup>lt;sup>18</sup> SF-269 ADP Operations Costs for corresponding years.

# 7.3.1 Historical Overview of L'AMI Development Cost Allocation Methodology

The first L'AMI APD, submitted in June 1982, projected the following funding shares for each supported Federal Program:

- FSP 22.3 percent
- AFDC 58.1 percent
- Medicaid 19.6 percent

These allocations were initially based on an analysis of 10 system features. Each feature had an assigned weight. This weighting analysis considered:

- The benefitting program's need for each system feature (RMS weight for each program multiplied by the average caseload for the program)
- The benefitting program's percentage of each system feature
- The benefitting program's total percentage of the 10 features of the system

In subsequent Federal approvals of amendments to the original L'AMI APD, the allocation percentages of benefiting programs varied based on the nature of the amendment. In October 1986, a memorandum of agreement between DHHS and FNS called for system modules supporting a single program to be charged to that program. Additionally, modules which support several, but not all, programs must be collected in an intermediate cost pool and distributed based on a methodology proposed by the State. Common modules must be allocated using the same shares as the aggregate of the allocation methods.

The following allocation percentages, which have been agreed to by the Federal agencies, represent the most recent approved cost allocation plan. The share of costs allocated to each area are:

- FSP 14.05 percent
- AFDC 53 percent
- Auxiliary 32.95 percent

The 1993 APDU does not present a formal development cost allocation methodology for the proposed for completion and implementation of L'AMI. However, the budget numbers indicate an FSP share of 36.8 percent of total costs. The Louisiana Department of Health and Hospitals was separated from DSS. As a result, the L'AMI system will not support Medical Assistance. Based on this change, the FSP share of total funding increased.

## 7.3.2 Operational Cost Allocation Methodologies and Mechanics

Operational costs from Information Services are billed to the Office of Management and Finance and tracked by cost center. Cost centers are the lowest area of responsibility where cost can be accumulated, and fiscal authority can be exercised. Some of the cost centers used include: CPU time, print lines, shared data queries, and operator time. Each cost center has a specific project and cost pool associated with it.

Projects are planned undertakings to accomplish a specific job, assignment, or task. Project accounting is used to capture costs for cost allocation. Project numbers can be associated with one or many cost pools. If the project number is associated with only one cost pool, 100 percent of the costs incurred by those cost pools are charged to the program associated with the cost pool. If a project has many cost pools, the costs are allocated on a variety of bases, thereby indicating that the project is associated with many programs.

Cost pools are groups of similar costs that are collected for the purpose of cost allocation. Costs are initially directed into pools from cost centers or projects. Subsequently, costs are allocated according to the plan, from pool to pool. A residual cost pool is a cost pool that has one or many entry cost pools. Costs are collected and allocated according to the allocation basis for the entry cost pool. The operational cost pools for FSMIS are shown in Table 7.4, FSMIS Operational Cost Pools.

Table 7.4 FSMIS Operational Cost Pools

Residual Cost Pool	Cost Pool Description	Associated Entry Level Cost Pool
71080	Assistance Payment Public Assistance	17071
	Food Stamp	17123
		17128
71500	Non Public Assistance Food Stamp	17071
	Certification	17123
		17124
		17125
		17128
		17130
71560	Non Public Assistance Food Stamp Fraud	17123
		17130
71501	Public Assistance Food Stamp	17123
	Certification	17130
71530	Non Public Assistance Food Stamp	17115
	Quality Control	17128

The allocation basis for each FSMIS operational entry cost pool is shown in Table 7.5, FSMIS Cost Pool Allocation Basis.

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Table 7.5 FSMIS Cost Pool Allocation Basis

Entry Level Cost Pool	Object Code Description/Activity	Allocation Basis
170071	OED/OS Appeals	The time spent on appeals cases (scheduled and heard) by the OS Bureau of Appeals staff in the month upon which the billing from OMF was initiated
17115	Quality Control System	Number of cases assigned
17123	RMS System	The total time worked per program by all local workers, supervisors, and clerical employees as derived from RMS
17124	OMF Recovery System	The number of cases processed through the Recovery System in the prior month
17125	OMF Food Stamp System	The costs that are allocated directly to specific programs or budget units in the Office of Family Support
17128	Data Processing Recoupment System	The number of cases processed through the Recoupment System in the prior month
17130	OMF Information Systems General Excluding Food Stamp Issuance	The total time worked per program by all local workers, supervisors, and clerical employees as derived from RMS

OMF then completes an intra-agency billing to the Office of Family Support at the cost pool and project levels. Each OMF cost pool and project has a corresponding OFS cost pool and project. OFS processes funding requests and draw downs.

APPENDIX A	
STATE OF LOUISIANA	
STATE OF LOUISIANA	
<b>EXHIBITS</b>	
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Exhibit A-2.1 Response to Regulatory Changes

Code	Regulation	Provision	Federally Required Implementation Date	Implemented on Time (Y/N)?	Computer Programming Changes Required (Y/N)?	Changes to State Policy/ Legislation Required (Y/N)?
1.1	1: Mickey Leland Memorial Domestic Hunger Relief Act	1: Excludes as income State or local GA payments to DHHS provided as vendor payments. 273.9(c)(1)(ii)(F)	8/1/91	Y	N	Y
1.2	1: Mickey Leland Memorial Domestic Hunger Relief Act	2: Excludes from income annual school clothing allowance however paid. 273.9(c)(5)(i)(F)	8/1/91	Y	N	Υ
1.3	1: Mickey Leland Memorial Domestic Hunger Relief Act	3: Excludes as resource for Food Stamp purposes, household resources exempt by Public Assistance (PA) and SSI in mixed household. 273.8(e)(17)	2/1/92*	Y	N	Y
1.4	1: Mickey Leland Memorial Domestic Hunger Relief Act	4: State agency shall use a standard estimate of shelter expense for households with homeless members. 273.9(d)(5)(i)	2/1/92*	Y	Y	Y
2.1	2: Administrative Improvement & Simplification regulations of the Hunger Prevention Act	1: Extended resource exclusion of farm property and vehicles. 273.8(e)(5),etc.	7/1/89	Y	N	Y
2.2	2: Administrative Improvement & Simplification regulations of the Hunger Prevention Act	2: Combined initial allotment under normal time frames. 274.2(b)(2)	1/1/90	Y	Y	Y
2.3	2: Administrative Improvement & Simplification regulations of the Hunger Prevention Act	3: Combined initial allotment under expedited service time frames. 274.2(b)(3)	1/1/90	Y	Y	Y

**Exhibit A-2.1** Response to Regulatory Changes

Code	Regulation	Provision	Federally Required Implementation Date	Implemented on Time (Y/N)?	Computer Programming Changes Required (Y/N)?	Changes to State Policy/ Legislation Required (Y/N)?
3.1	3: Disaster Assistance Act &	1: Exclusion of job stream	9/1/88	Y	N	Y

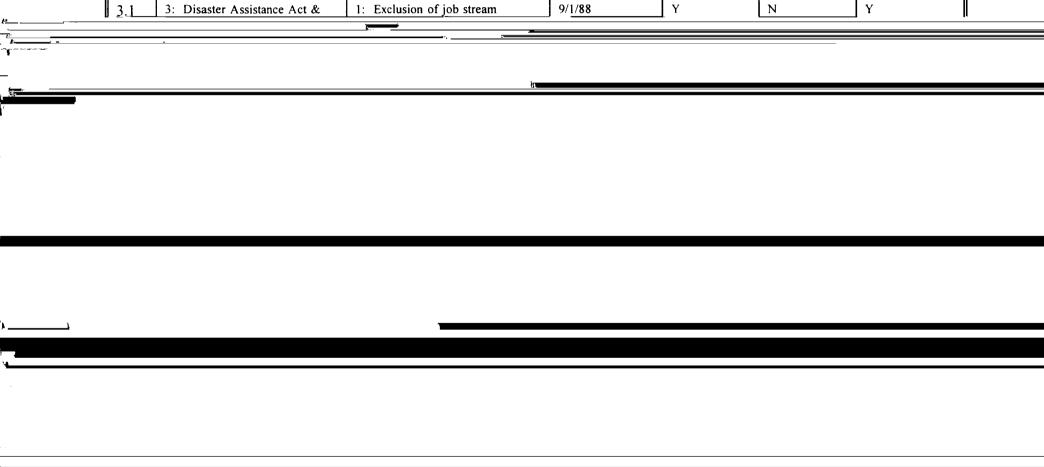


Exhibit A-6.1 State of Louisiana Hardware Inventory

Component	Make	Acquisition Method	Number/ Features		
		CPU			
9021/820	IBM	Lease	512 megabytes (MB) main memory, 512 MB extended storage, 166 MIPS		
		DISK			
3390	IBM	Lease	3990 Controllers (6) Drives (18)		
		TAPE			
9 track	IBM	Purchase	3420 (2)		
Automatic tape library	Memorex Telex	Lease	5400 (1)		
		PRINTERS			
Impact	IBM	Lease	6262 (2)		
Laser	Xerox	Lease	4090 (1)		
	FRON	END PROCESSO	RS		
FEP	IBM	Lease	3725 (1), 3745 (1)		
	REMOTE EQUIPMENT				
Workstations	Various	Purchase	IBM compatible PCs (1,001)		
Terminals	IBM, Telex, Courier, Harris	Purchase	3270-type terminals (2,517)		

# APPENDIX B

# STATE OF LOUISIANA

# ANALYSIS OF OPERATOR USER SATISFACTION SURVEYS

#### OVERVIEW

This appendix presents the results of the Operational Level User Satisfaction Survey. Frequency counts of responses to all applicable items on the survey are included, grouped by the topic covered by the item. The results for the items covering each topic are summarized as well.

The responses to the Operational Level User Satisfaction Survey represent the perceptions of eligibility workers (EWs) in Louisiana. In other words, these responses do not necessarily represent a "true" description of the situation in Louisiana. For example, the results presented regarding the response time of the system reflect the workers' perceptions about response time, not an objective measure of the actual speed of the response.

## Description of the Sample

The following table summarizes the potential population size and the final size of the sample who responded.

Number of EWs in Louisiana	Number Selected to Receive Survey	Percentage Selected
1,271	63	5.0%
	Number Responding to Survey	Response Rate
	32	50.8%

The eligibility workers selected to receive the survey were selected randomly so their perceptions would be representative of EWs in Louisiana. The number of responses, however, is low and produces a small sample that may not be representative of the randomly selected group.

## Summary of Findings

Overall, respondents generally are satisfied with the computer system in Louisiana. EWs think that the system provides acceptable overall response time, availability, accuracy, and ease of use. Nevertheless, workers' responses indicate some problems with particular features of the system. A large majority of the workers think that the system is a great help to them, but half think the system sometimes or often adds stress to the job.

Since Louisiana's current system has been operational since 1979, comparisons between the current and previous systems would be of limited value. Responses to comparative questions, therefore, are not solicited for systems that were implemented more than five years ago.

### SYSTEM CHARACTERISTICS

## Response Time

What is the quality of overall system response cime?

	Number of Respondents	Percentage of Respondents(%)
Poor	4	12.5
Good	24	75.0
Excellent	4	12.5

What is the quality of system response time during peak periods?

		Percentage of Respondents(%)
Poor	20	62.5
Good	12	37.5

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents(%)
Rarely	3	9.4
Sometimes	23	71.9
Often	6	18.8

Although nearly 88 percent of eligibility workers surveyed think that overall system response time is good or excellent, EWs believe that response time deteriorates during peak periods resulting in periodic slow response times. Over 62 percent of EWs feel that response times are poor during peak processing periods, and nearly 91 percent think that response time sometimes or often is too slow.

# Availability

How often is the system available when you need to use it?

	Number of Respondents	Percentage of Respondents(%)
Sometimes	5	15.6
Often	27	84.4

How often is the system down?

	Number of Respondents	Percentage of Respondents(%)
Rarely	5	15.6
Sometimes	16	50.0
Often	11	34.4

A large majority of eligibility workers believe that the system often is available when they need to use it, but over 84 percent of EWs also think that the system is sometimes or often down. The system downtime, however, does not seem to be intrusive enough to detract from the perception that the system generally is available.

## Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents(%)
Good	24	75.0
Excellent	8	25.0

How often is a case terminated in error?

	Number of Respondence	Percentage of Respondence (%)
Rarely	31	96.9
Sometimes	1	3.1

How often is eligibility incorrectly determined?

	Number of Respondents	Percentage of Respondents(%)
Rarely	29	93.5
Sometimes	1	3.2
Often	1	3.2

How often is the system's data out-of-date?

	Number of Respondents	Percentage of Respondents(%)
Rarely	26	81.3
Sometimes	4	12.5
Often	2	6.3

The eligibility workers think the system's data and computations are quite accurate. All of the workers feel that the quality of the information in the system is good or excellent.

### Ease of Use

How often do you have difficulty obtaining necessary information from the system?

	Number of Respondents	Percentage of Respondents(%)
Rarely	16	50.0
Sometimes	13	40.6
Often	3	9.4

How often do you have difficulty learning to use the system?

		Percentage of Respondents(%)
Rarely	22	68.8
Sometimes	10	31.3

How often do you have difficulty automatically terminating benefits for failure to file?

		Percentage of Respondents(%)
Rarely	21	91.3
Sometimes	2	8.7

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents(%)
Rarely	19	86.4
Sometimes	1	4.5
Often	2	9.1

How often do you have difficulty generating warning notices?

	Number of Respondents	Percentage of Respondents(%)
Rarely	13	81.3
Sometimes	1	6.3
Often	2	12.5

How often do you have difficulty restoring benefits?

		Percentage of Respondents(%)
Rarely	19	90.5
Sometimes	2	9.5

How often do you have difficulty identifying recipients already known to the State?

	Number of Respondents	Percentage of Respondents(%)
Rarely	26	81.3
Sometimes	6	18.8

How often do you have difficulty updating registration data?

		Percentage of Respondents(%)
Rarely	26	92.9
Sometimes	2	7.1

How often do you have difficulty updating eligibility and benefit information from recertification data?

	Respondents	Respondents(%)
Rarely	30	93.8
Sometimes	1	3.1
Often	1	3.1

How often do you have difficulty identifying cases which are overdue for recertification?

		Percentage of Respondents(%)
Rarely	27	93.1
Sometimes	2	6.9

How often do you have difficulty monitoring the status of all hearings?

	Number of Respondents	Percentage of Respondents(%)
Rarely	10	90.9
Sometimes	1	9.1

How often do you have difficulty tracking outstanding verifications?

		Percentage of Respondents(%)
Rarely	13	68.4
Sometimes	6	31.6

How often do you have difficulty automatically notifying households of case actions?

	Respondents	Respondents(%)
Rarely	18	85.7
Sometimes	2	9.5
Often	1	4.8

How often do you have difficulty notifying recipients that recertification is required?

	Number of Respondents	Percentage of Respondents(%)
Rarely	19	82.6
Sometimes	2	8.7
Often	2	8.7

How often do you have difficulty identifying cases making payments through recoupment?

	Number of Respondents	Percentage of Respondents(%)
Rarely	20	69.0
Sometimes	7	24.1
Often	2	6.9

How often do you have difficulty identifying error prone cases?

	Number of Respondents	Percentage of Respondents(%)
Rarely	9	34.6
Sometimes	14	53.8
Often	3	11.5

How often do you have difficulty identifying cases involving suspected fraud?

	Number of Respondents	Respondents(%)
Rarely	13	56.5
Sometimes	5	21.7
Often	5	21.7

How often do you have difficulty assigning new case numbers?

		Percentage of Respondents(%)
Rarely	18	81.8
Sometimes	4	18.2

Eligibility workers' responses to these questions express the belief that the system is easy to use for many, but not all, functions for the majority of workers. Half of the EWs report sometimes or often having difficulty obtaining information from the system. Over 65 percent and 43 percent of EWs sometimes or often have difficulty identifying error prone and suspected fraud cases, respectively.

### FOOD STAMP PROGRAM NEEDS

### Worker Satisfaction Levels

How often is the system a great help to you in your job?

	Number of Respondents	Percentage of Respondents(%)
Sometimes	2	6.3
Often	30	93.8

How often is the system an added stress in your job?

	Number of Respondents	Percentage of Kespondents(%)
Rarely	16	50.0
Sometimes	11	34.4
Often	5	15.6

How often is the system more of a problem than a help?

	Number of Respondents	Percentage of Respondents(%)
Rarely	25	78.1
Sometimes	6	18.8
Often	1	3.1

Generally, EWs think that the system positively influences job satisfaction. Almost 94 percent of eligibility workers feel that the system helps them in their jobs. Although 50 percent of the workers believe that the system contributes to job-related stress, over 78 percent believe that the system usually is more helpful than problematic.

## Client Service

How often is expedited service difficult to achieve?

	Number of Respondents	Percentage of Respondents(%)
Rarely	23	79.3
Sometimes	6	20.7

How often do you have difficulty providing expedited services?

	Number of Respondents	Percentage of Respondents(%)
Rarely	26	96.3
Sometimes	1	3.7

A significant majority of EWs feel that there are few problems associated with providing expedited service to clients.

## Fraud and Errors

No data are available to address fraud and errors with the Louisiana system because all the questions in this category compare the current and previous systems. Since Louisiana's system was implemented more than five years ago, comparative questions are not applicable.

# APPENDIX C

# STATE OF LOUISIANA

# ANALYSIS OF MANAGERIAL USER SATISFACTION SURVEYS

### **OVERVIEW**

This appendix presents the results of the Managerial Level User Satisfaction Survey. Frequency counts of responses to all applicable items on the survey are included, grouped by the topic covered by the item. The results for the items covering each topic are summarized as well.

The responses to the Managerial Level User Satisfaction Survey are the perceptions of eligibility worker (EW) supervisors in Louisiana. In other words, these responses do not necessarily represent a "true" description of the situation in the State. For example, the results presented regarding the response time of the system reflect the managers' perceptions about that response time, not an objective measure of the actual speed of the response.

## Description of the Sample

The following table summarizes the potential population size and the final size of the sample who responded.

Number of EW Supervisors in Louisiana	Number Selected to Receive Survey	Percentage Selected
178	30	16.9%
	Number Responding to Survey	Response Rate
	16	53.3% -

The supervisors selected to receive the survey were selected randomly so their perceptions would be representative of supervisors in Louisiana. The total number of respondents, however, is low. The low response rate produces a small sample whose responses may not be representative of this random selection.

### Summary of Findings

EW supervisors in Louisiana regard the system positively and believe that it helps them in their jobs. The vast majority of EW supervisors report that overall response time, system availability, accuracy, and ease of use are good. There are a couple of areas, however, in which significant proportions of EW supervisors believe there are problems. Some EW supervisors perceive that the system adds stress to their jobs. A significant minority also think that it is difficult to perform specific functions (e.g., obtaining information from the system).

Since Louisiana's current system has been operational since 1979, comparisons between the current and previous systems would be of limited value. Responses to comparative questions, therefore, are

not solicited for systems that were implemented more than five years ago.

### SYSTEM CHARACTERISTICS

## Response Time

What is the quality of overall system response time?

	Number of Respondents	Percentage of Respondents
Good	15	93.8
Excellent	1	6.3

What is the quality of system response time during peak periods?

	Number of Respondents	Percentage of Respondents
Poor	8	50.0
Good	7	43.8
Excellent	1	6.3

How often is the system response time too slow?

	Number of Respondents	Percentage of Respondents
Rarely	2	12.5
Sometimes	13	81.3
Often	1	6.3

EW supervisors in Louisiana generally are satisfied with system response time. All of the respondents feel that overall system response time is good or excellent, but half believe that response time is poor during peak processing periods. Over 87 percent of the supervisors think that response time sometimes or often is too slow.

## Availability

How often is the system available when you need to use it?

	Number of Respondents	Percentage of Respondents
Sometimes	1	6.3
Often	15	93.8

How often is the system down?

	Number of Respondents	Percentage of Respondents
Rarely	4	25.0
Sometimes	11	68.8
Often	1	6.3

Almost 94 percent of EW supervisors report that the system often is available when they need to use it; however, most supervisors also feel that there are instances of downtime. A majority of EW supervisors think that the system sometimes is down. This downtime, however, apparently is not intrusive enough to detract from the perception of overall system availability.

## Accuracy

What is the quality of the information in the system?

	Number of Respondents	Percentage of Respondents
Poor	1	6.3
Good	13	81.3
Excellent	2	12.5

EW supervisors generally perceive the quality of the system's data to be acceptable. Almost 94 percent of the supervisors feel that the information in the system is good or excellent.

## Ease of Use

How often do you have difficulty obtaining necessary information from the system?

	Number of Respondents	Percentage of Respondents
Rarely	9	56.3
Sometimes	7	43.8

How often do you have difficulty learning to use the system?

	Number of Respondents	Percentage of Respondents
Rarely	13	81.3
Sometimes	2	12.5
Often	1	6.3

How often do you have difficulty automatically terminating benefits for failure to file?

	Number of Respondents	Percentage of Respondents
Rarely	8	88.9
Sometimes	1	11.1

How often do you have difficulty generating adverse action notices?

	Number of Respondents	Percentage of Respondents
Rarely	10	100.0

How often do you have difficulty generating warning notices?

	Number or Respondents	Percentage oi Respondents
Rarely	5	83.3
Sometimes	1	16.7

How often do you have difficulty restoring benefits?

	Number of Respondents	Percentage of Respondents
Rarely	8	66.7
Sometimes	4	33.3

EW supervisors generally feel that the system is easy to use. For each function discussed, a majority of the EW supervisors report rarely having difficulties in these areas. There are two areas, however, in which significant minorities sometimes have problems: obtaining information from the system (44 percent) and restoring benefits (33 percent).

### FOOD STAMP PROGRAM NEEDS

## Supervisor Satisfaction Levels

How often is the system a great help to you in your job?

	Number of Respondents	Percentage of Respondents
Sometimes	1	6.7
Often	14	93.3

How often is the system an added stress in your job?

	Number of Respondents	Percentage of Respondents
Rarely	10	66.7
Sometimes	5	33.3

EW supervisors feel that the system contributes to job satisfaction. More than 93 percent of respondents feel that the system often is a great help, and two thirds of the EW supervisors think it rarely creates added stress in their jobs.

# Management Needs

What is the quality of the reports produced by the system?

	Number of Respondents	Percentage of Respondents
Good	15	93.8
Excellent	1	6.3

What is the quality of the support provided by the technical staff supporting the automated system?

	Number of Respondents	Percentage of Respondents
Poor	1	6.3
Good	11	68.8
Excellent	4	25.0

How often do you have difficulty making mass changes to the system?

	Number of Respondents	Percentage O Respondents
Rarely	9	69.2
Sometimes	4	30.8

How often do you have difficulty meeting Federal reporting requirements?

	Number of Respondents	Percentage of Respondents
Rarely	10	83.3
Sometimes	2	16.7

EW supervisors feel that the system supports management needs. All of the EW supervisors think that the quality of the reports produced by the system is good or excellent, and nearly 94 percent feel that technical staff support is good or excellent. The vast majority of EW supervisors report rarely having problems making mass changes or meeting Federal reporting requirements.

### Client Service

No data are available to address client service because all the questions in this category compare the current and previous systems. Since Louisiana's system was implemented more than five years ago, comparative questions are not applicable.

### Fraud and Errors

No data are available to address fraud and errors with the Louisiana system because all the questions in this category compare the current and previous systems. Since Louisiana's system was implemented more than five years ago, comparative questions are not applicable.